Message Text

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USEEC

PASS COMMERCE

E.O. 11652: N/A TAGS: ENRG, FR

SUBJECT: EDF-SPONSORED STUDY ATTACKS NUCLEAR MORATORIUM

REF: (A) PARIS 22205; (B) PARIS 24846

BEGIN UNCLASSIFIED

1. ELECTRICITE DE FRANCE (EDF), FRENCH GOVERNMENT-OPERATED ELECTRICITY COMPANY, COMMISSIONED PIERRE MAILLET, OF LILLE UNIVERSITY, TO STUDY EFFECTS WHICH A SLOWDOWN OF THE FRENCH NUCLEAR PROGRAM IN THE PERIOD 1978-82 AND ITS REPLACEMENT BY CLASSIC THERMAL PLANTS WOULD HAVE. IT WILL BE RECALLED THAT A MORATORIUM ON NUCLEAR ACTIVITY HAS BEEN PROPOSED MOST NOTABLY AS A CONDITION POSED BY BRICE LALONDE FOR PARTICIPATING IN LIMITED OFFICIAL USE

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THE GOF COMMITTEE ON THE TOPIC (REF B). STUDY CONCLUDED THAT SUCH A MORATORIUM WOULD COST 39 BILLION FRANCS (ONE DOL - 4.9 FRANCS). IT OPERATES ON THE HYPOTHESIS THAT ALL OPERATION OF NUCLEAR PLANTS CEASE FOR FIVE-YEAR PERIOD BEGINNING JANUARY 1, 1978. HARDEST HIT WOULD BE FRAMATOME, FRANCE'S NUCLEAR PLANT, AND SECONDARILY ALSTHOM AND CEM WHICH FURNISH TURBO-

ALTERNATORS. THE NET RESULT OF THIS DIMINUTION OF ACTIVITY WOULD BE 85,000 EXTRA UNEMPLOYED IN THE PERIOD.

- 2. ACCORDING TO THE MAILLET STUDY, THE FINANCIAL CONSEQUENCES WOULD CONSIST FIRST IN A REDUCTION OF INVESTMENT, SINCE CONVENTIONAL THERMAL PLANTS COST LESS THAN NUCLEAR ONES. MAILLET CONCLUDES THAT THERE WOULD BE AN INITIAL REDUCTION IN TOTAL INVESTMENT OF 7.5 BILLION FRANCS IN THE FIVE-YEAR PERIOD UNDER CONSIDERATION, ABOUT TWO PERCENT OF TOTAL INVESTMENT.
- 3. PERHAPS MORE IMPORTANT, ACCORDING TO THE STUDY, WOULD BE THE EFFECTS OF THE MORATORIUM ON FRANCE'S FOREIGN TRADE. ITS PETROLEUM IMPORTS WOULD RISE BY 35 MILLION TONS BY 1990, WHICH WOULD INCREASE FRANCE'S DEPENDENCE ON FOREIGN ENERGY FROM 64 TO 76 PERCENT. THIS WOULD INCREASE IMPORTS BY 15 BILLION FRANCS, IF THE PRICE OF OIL CONTINUES AT THE PRESENT DOLS 12 PER BARREL. BUT THIS INCREASED DEPENDENCE COULD WELL RAISE ITS PRICE.
- 4. EFFECTIVENESS OF STUDY IS REDUCED BY HYPOTHESES ON GROWTH RATE AND POWER COST. GROWTH RATE POSITED IN PLAN, 5.5PERCENT, IS USED IN STUDY, EVEN THOUGH PROBLEMS IT CONSIDERS WOULD BE CONSIDERABLY LESS IF LIMITED OFFICIAL USE

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RATE WERE, SAY, 3.5 PERCENT. AND THE AVERAGE ELECTRICITY COST PER KILOWATT HOUR OF 7.75 TO 7.80 CENTIMES CONTRASTS WITH THE FIGURE 9.7 TO 10 WHICH HAS LONG BEEN USED BY GOF AGENCIES. IT AGREES, HOWEVER, WITH 11.5 TO 13.5 FOR THERMAL PLANTS. END UNCLASSIFIED. BEGIN LIMITED OFFICIAL USE. COMMENT: BY ADOPTING THE ASSUMPTIONS MOST UNFAVORABLE TO A NUCLEAR MORATORIUM, THE MAILLET STUDY'S IMPACT IS GREATLY ATTENUATED ACCORDING TO SOME PRESS CRITICISMS. END LOU. HARTMAN

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